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ABSTRACT

A new argument is made for school finance equalization, based not on "equal protection" or "equal educational opportunity," but on constitutional requirements for tax equity in New Hampshire. Since inequalities in school finance are a taxation problem, they call for tax reform. The analyses rest on four points: (1) that property-poor school districts have higher taxes and raise less money per pupil: (2) that ever-widening disparities violate the "proportional and reasonable" constitutional clause; (3) that education is primarily a state function, making it the unit of "reasonable" taxation: and (4) that states have an obligation to equalize, given the special role of education in the states. (Author)

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TAX-BASED EDUCATIONAL EQUITY:

A New Approach to School Finance Reform*

Bruce S. Cooper
Marjory D. Robertson
Richard F. Winters

Dartmouth College
Department of Education
Department of Government
Hanover, New Hampshire 03755
(603) 646-3465

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TAX-BASED EDUCATIONAL EQUITY:

A New Approach to School Finance Reform

Introduction

Recent public education has been shaped by attempts to equalize opportunity[1] for all children by desegregating all-black schools,[2] equalizing intrastate funding of public schools,[3] and bringing public schooling to the physically, mentally, and emotionally impaired.[4] When initial attempts failed, reformers turned to the

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[1] Horace Mann expressed the mission of the public schools well in 1848:

> In a social and political sense, it is a Free school system. It knows no distinction of rich or poor, bond and free, or between those who, in the imperfect light of this world, are seeking, through avenue, to reach the gates of heaven. Without money and without price, it throws open its doors and spreads the table of bounty, for all the children of the State.

See the Twelfth Annual Report to the Massachusetts Board of Education, from Life and Works of Horace Mann (Boston, 1891), edited by Mary Peabody Mann.

[2] For a brief history of school desegregation in the U.S., see Julius L. Chambers, "Implementing the Promise of Brown: Social Science and the Courts in Future School Litigation" in Education, Social Sciences, and the Judicial Process, Ray C. Rist and Ronald J. Anson (Eds.), (New York: Teachers College Press, 1977), pp. 32-49; and S. Alexander Rippa, Education in a Free Society: An American History, Third Edition, (New York: McKay, 1976), pp. 273-279. See, also, Robert L. Crain et al., The Politics of School Desegregation (Garden City, N.Y.: Doubleday, Anchor, 1969).

[3] John L. Coons, "Recent Trends in Science Fiction: Serrano Among the People of Number," in Rist and Anson, Eds., op. cit., pp. 32-49. See also, William H. Clune, "Wealth Discrimination in School Finance," 68 Northwestern University Law

courts, hoping that judicial edict could accomplish what the President, governors, and legislative bodies could not.[5] But the courts often disappointed reformers, for federal and state decisions were not always a sure means to educational equality. Since 1954, two approaches to equity have been pursued, using, respectively, the "equal protection under law" provision of the 14th Amendment of the United States Constitution, and the "equal educational opportunity" language of various state constitutions.

But both legal approaches - "equal protection" and "equal educational opportunity" - have limitations, as recent history of school finance reform shows. In brief, the 14th Amendment, so useful in the movement to desegregate public schools, was not directly applicable to the new argument: discrimination based on local property wealth.[6] The U.S. Supreme Court, refusing to declare suspect existing variations in local educational expenditures, remanded the issue back to the state courts for adjudication. Looking to the educational establishment clauses of their constitutions, state courts in some cases could find no clear guidance. How does one measure and prove "educational inequality"? And if the state constitution fails to guarantee educational equity, but only suggests it, or does not mention the quality issue at all, what case can be made for parity in financing education?

Review 651 (1973); and W. N. Grubb, "The First Round of Legislative Reform in the Post-Serrano World," 38 Law and Contemporary Problems 459 (1974).

[4] The Rehabilitation Act of 1973, P.L. 94-142 was implemented in 1977; Section 504 of the Social Security Act was passed in 1977. Both have implications for the education of the special child in public schools.

[5] See Ronald J. Anson and Ray C. Rist, "On the Shaping of Educational Policy: The Transition from Administrative/Political to Judicial Decision-Making," in Education, Social Science, and the Judicial Process, op. cit., pp. vii-xviii.

[6] San Antonio Independent School District v. Rodriguez, 411 U.S. 1 (1973).

This sort of dilemma emerged in New Hampshire. The state has great inequalities among school districts in terms of property wealth, expenditures, and pupil performance; it offers little state financial assistance to schools (New Hampshire ranks fiftieth in state funding aid to public schools); and it has no direct constitutional mandate for a quality education, only a generalized exhortation of the benefits of education. Though the stage was once set for a court challenge to the state's school finance system, the effort was not pressed, for the reformers were unable to find a constitutional approach which would be sufficiently supportive. The 14th Amendment test was disallowed by the Rodriguez decision of the Supreme Court, which stated that education was not a "fundamental interest" of the U.S. Constitution.[7] The New Hampshire Constitution provided no additional basis for an argument. Indeed, it is as general as it is glowing: the state is "to cherish the interest of literature and the sciences...(and) to encourage private and public institutions,"[8] but is not required to provide equal education for all.

A New Approach

This paper presents a third approach to educational finance reform, one which seems appropriate for New Hampshire and, perhaps, for other states. Rather than focusing on the child and the child's family as approaches involving equal protection and equal educational opportunity have done, we propose to attack the problem as one of tax equity, that is, the inability of all communities in a state to raise equal funds for education with somewhat equal effort. We argue that it is the taxpayers who are being discriminated against, though a case could also be made that children suffer when the state finance system, with its great dependence on local property values, permits rich districts to raise large sums of money for

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[7] Ibid.

[8] New Hampshire Constitution, Article 3.

schools through a relatively low tax rate while poorer districts are not able to garner nearly so much despite their relatively high tax rates. Tax equity for education, then, suggests that communities should be able to raise roughly equal dollars-per-pupil with roughly equal effort, should they so desire.

The case for tax equity as a means to equal educational options for all children regardless of how wealthy a specific community is, can be based on a four-part argument.

1. Educational Disparities and Needs: The first step in any effort to reform a state's system of school finance is to show the inequalities and needs among school districts. Since there is always some discrepancy among resource allocations and costs in any social service system, reformers must show that the differences are not random, that wealthier school districts can collect more dollars for education with less effort than poor districts.

New Hampshire data are graphic in this respect: great differences in locally assessed property valuation; great differences in willingness to tax locally; and great variation in funds raised per pupil for education. The mosiac of school finance statewide is one which shows both property rich and property poor systems, along with greatly varying levels of school programs, materials, plant quality, libraries, and educational outcomes.

2. Tax-Equity - A Constitutional Approach: Since New Hampshire's constitutional provision for educational quality is vague and, therefore, ultimately useless, we turn instead to Article V, entitled "Power to Make Laws, Elect Officers..., Impose Fines and Assess Taxes." It reads:

> full power and authority are hereby given and granted to the said General Court...to impose and levy proportional and reasonable assessments, rates and taxes upon all inhabitants of, and residents within, the said state... (emphasis added).[9]

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[9] New Hampshire Constitution, Article V.

This paper argues that while taxes may be proportional within a particular jurisdiction, e.g., a school district, these levies are not reasonable, given that education is, for the most part, a state function, that schools are heavily regulated by state statutes, and that the state makes expensive demands on schools and incurs an obligation to see that these requirements can be carried out equally.

3. The State's Power to Intervene: To make a case for state intervention into the fiscal control of local schools, reformers require some legal and procedural basis for redistributing educational dollars in a more equitable fashion, for education has traditionally been viewed as a local matter under direct control of publicly-elected school board members.

In New Hampshire and elsewhere, school districts are, legally, creatures of the state: that is, they have no legal power except for that granted by the state. Under state statutes, New Hampshire has required local school districts to finance education from local property taxes, leading to the wide variation in per pupil expenditure we noted above. If, as we shall argue, expenditures for education across the state are proportional within districts but "unreasonable" across districts, then New Hampshire, as well as other states, have the power to change the funding process.

In 1950, the School Foundation Aid program was created in New Hampshire, an admission by the state that funding inequalities did exist and should be corrected. But the legislature has failed to appropriate enough money to support the program. In 1976-77, for example, only eight percent of the needed amount was appropriated to fund fully the Foundation Plan. One can conclude, then, that states like New Hampshire have the power and authority to change the funding of schools. For, if New Hampshire were consciously and deliberately to create a state-wide tax system for education identical to the existing decentralized one, with heavy reliance on local property wealth, no court in the state could let it stand. Its clear discriminatory nature would be constitutionally untenable.

4. The State's Obligation to Intervene: One can argue for reform in yet another way: in addition to its authority over local school systems, we assert that the state also has an obligation to help equalize education because of the special attention education already receives in the state legislature, constitution, and courts. In all states, for example, legislatures have indicated their concern over and responsibility for the regulation of local education. To a large extent, the state sets standards for schools and requires certain educational programs by passing specific, governing legislation. Recent research, in fact, indicates that 75 percent of local educational activities in New Hampshire schools are mandated by the state government,[10] though New Hampshire prides itself on small government and local prerogatives. By playing such a large role in program development, the state legislature has created the uncomfortable dilemma of imposing programs and standards on local schools without helping to fund the consequent costs.

Besides the requirements from the state, local school districts are also "cherished" and "encouraged" by the New Hampshire Constitution - the only local service so stipulated. Article III, while it falls short of requiring a quality or equal education, does specifically urge the state to take an interest in the educational process:

> ...it shall be the duty of the legislators and magistrates in all future periods of this government, to cherish the interest of literature and

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[10] For a national study of state mandated costs to local schools, see Frederick Wirt, "Does Control Follow the Dollar? Value Analysis, School Policy, and the State-Local Linkage," unpublished report. Richard Goodman has recently studied the same question in New Hampshire. Available from the Center for Educational Field Services, School of Education, University of New Hampshire, Durham, New Hampshire.

science, and all seminaries and public schools, to encourage private and public institutions...[11]

We argue, then, that the state has a special obligation to education, one which it has long recognized constitutionally and legislatively. Since the state requires certain standards, programs, and activities that cost money, it should fund them on some kind of equalizing basis - or at least arrange a finance method that allows poor school districts to comply with state stipulations on an even par with rich districts. The Foundation Aid formula was such an effort, though it has never been funded adequately.

In summary, our argument for tax equity-based educational reform can be stated as follows: New Hampshire and other states rely heavily on the local property tax to fund education creating great disproportionalities among school district expenditures. Even in poor districts that tax at a relatively high rate, the revenue raised is nowhere near the amounts that property-rich districts have generated with relatively low tax rates. One can then assert that government has both the power and the obligation to change the funding system, given that school systems are created by the state legislature, are required to provide certain types and levels of education, and are the focus of special and unique attention by the state's constitution and law-makers.

Given a need for equalization, the state's authority, and its special obligation, a constitutional challenge, using a tax parity argument, is possible.

The Research

Each part of this argument requires different data and research methods. First, the section on financial inequalities in New Hampshire involves the use of state educational and fiscal data gathered at various times: 1962, 1968, 1974, 1977, and 1978 in New Hampshire's 160-plus school districts. These data were

[11] New Hampshire Constitution, Section III.

available from state and local records on property valuations, enrollment levels, local tax rates, and the amount of money collected and spent.

Second, the case for tax equity as a constitutional approach to school finance reform is based on an analysis of the state's constitution and interpretive court cases. Much as reformers in the 1960s used the logic of the 14th Amendment to extend rights to blacks and the poor,[12] we are attempting to show how the "reasonable" and "proportional" clause of the New Hampshire Constitution can be used to force the state to provide greater financial support to property-poor school districts. Other states, too, may have such guarantees in their constitutions, suggesting yet further school fiscal reform.

Third and fourth, we offer an analysis that shows why New Hampshire has both the power and the obligation to intervene. For this section, we use information from the state's constitution, statutes, and general practices.

The Need for Finance Reform

Reformation, in our case, begins with the documentation of inequalities. What is the extent of the differences in per pupil expenditures by school district? To what extent are these variations attributable to local property wealth, local tax effort, and ability to pay? Do state and federal contributions off-set the limitations of local ability and/or effort in school funding? Is the situation becoming more, or less, equal? And finally, what is the impact of funding differentials on programs, facilities, and pupil achievement in the school district?

New Hampshire Finance Data: A First Step in Building a Case

Of all the states, New Hampshire is the most dependent upon the local property tax for school finance and is particularly vulnerable to the problems stemming from

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[12] See Kenneth B. Clark, "Social Science, Constitutional Rights, and the Courts," in Rist and Anson, op. cit., pp. 1-9.

variations in district wealth. In the latter respect particularly, the state typifies fiscal inequalities present in other states which fund education through property taxation. Table 1 shows that local property taxes contributed between 86 and 89.5 percent of the New Hampshire school budget during 1970-1976; state finances accounted for 5 to 8.7 percent of the budget; federal help amounted to 4 to 5 percent; and other sources added up to less than .5 percent.

TABLE 1

New Hampshire Local School Revenue By Source and Percent, 1970-1976

PERCENT

Date	Local	State	Federal	Other
1970	88.64	6.84	4.19	.33
1971	86.82	8.50	4.37	.31
1972	89.12	5.62	5.00	.26
1973	88.41	6.93	4.35	.31
1974	89.55	5.87	4.29	.29
1975	88.22	6.72	4.61	.45
1976	86.03	8.68	4.92	.37

How do these figures compare with national trends? Roe L. Johns, et al., report changes in local, state, and federal contributions between 1929 and 1970 as shown in Table 2. New Hampshire relied, it appears, more on local property taxes for school support in 1970 (at 86 percent) than did the national average in 1926 (at 82.7 percent). By 1970, the national figure on local tax percentages had diminished to about 53 percent but New Hampshire's mean percentage of local contribution was nearly 89 percent. Table 3 shows the percentage breakdown in New Hampshire (local, state, federal) in contrast to the other 49 states and the

TABLE 2

Percentage of Funds Allocated

To Public Schools By Level of Government[13]

	Years					
	1929-30	1939-40	1949-50	1959-60	1965-66	1969-70
Local	82.7%	67.9%	57.3%	56.5%	53.0%	52.7%
State	17.0	30.0	39.8	39.1	39.1	40.7
Federal	0.3	1.8	2.9	4.4	7.9	6.6
All Levels:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

District of Columbia.[14] Note that only a few states (Connecticut, Oregon, and South Dakota) come close to New Hampshire's dependence on local property taxes, conditions which have changed as these states themselves have pursued finance reform.

Insert Table 3

Variation in Wealth Over Time: Given the nature of New Hampshire's revenue generation, the range of local commercial, industrial, and residential property valuations becomes a determining variable in a district's ability to meet desired budget goals. Table 4 presents the variation in equalized valuation per pupil in

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[13] Roe L. Johns, et al., "The Development of State Support for the Public Schools," Status and Impact of Educational Finance Programs (Gainesville, Fla.: National Educational Finance Project, 1972), pp. 20-22. Data from the Digest of Educational Statistics, 1969, Ed. (1969), Table 67, p. 50.

[14] Robert D. Reischauer and Robert W. Hartman, Reforming School Finance (Washington, D.C.: Brookings Institution, 1973), p. 10; source, National Education Association, Estimates of School Statistics, 1971-72, Table 9, p. 34.

TABLE 3

Current Systems of School Finance

Table 2-3. Distribution of Federal, State, and Local Financing of Public Schools, by State, 1970–71 School Year

State	Percentage of revenue receipts		
	Federal	State	Local and other[a]
Alabama	18.9	60.5	20.6
Alaska	17.6	71.5	10.9
Arizona	8.7	43.4	47.9
Arkansas	18.5	44.2	37.3
California	5.1	35.2	59.8
Colorado	7.9	29.4	62.7
Connecticut	2.3	23.3	74.3
Delaware	7.2	70.8	22.0
District of Columbia	15.4	...	84.6
Florida	10.9	55.0	34.1
Georgia	10.9	54.7	34.4
Hawaii	7.7	89.4	2.9
Idaho	11.8	39.3	48.9
Illinois	4.9	34.8	60.3
Indiana	5.1	31.5	63.4
Iowa	3.3	27.9	68.8
Kansas	6.8	29.9	63.3
Kentucky	16.7	53.7	29.6
Louisiana	14.3	56.2	29.5
Maine	7.9	31.9	60.1
Maryland	5.8	35.3	58.9
Massachusetts	5.4	25.0	69.6
Michigan	3.8	41.3	54.8
Minnesota	4.4	46.0	49.6
Mississippi	28.1	47.6	24.2
Missouri	7.7	31.2	61.1
Montana	8.0	24.0	68.0
Nebraska	6.0	18.9	75.1
Nevada	6.7	37.5	55.8
New Hampshire	4.8	9.9	85.3
New Jersey	4.8	26.1	69.0
New Mexico	17.5	61.5	21.0
New York	4.3	47.9	47.7
North Carolina	15.0	66.2	18.8
North Dakota	10.0	28.2	61.8
Ohio	6.3	27.9	65.8
Oklahoma	10.6	41.1	48.2
Oregon	5.9	19.6	74.5
Pennsylvania	5.5	43.7	50.8
Rhode Island	7.2	34.4	58.4
South Carolina	17.7	56.3	26.0
South Dakota	10.6	14.3	75.1
Tennessee	14.6	44.5	40.9
Texas	9.1	47.9	43.0
Utah	8.3	52.5	39.2
Vermont	6.6	32.8	60.6
Virginia	10.5	33.8	55.8
Washington	7.4	50.7	41.9
West Virginia	12.9	49.4	37.7
Wisconsin	3.5	30.6	65.9
Wyoming	10.1	32.9	57.0
50 states and District of Columbia	7.2	40.0	52.8

Source: National Education Association, *Estimates of School Statistics, 1971–72*, Table 9, p. 34. Figures are rounded and may not add to 100.

a. Includes revenue receipts from local and intermediate sources, gifts, and tuition and fees from patrons.

the state: from a school district with a low of $45,744 per student to one with a high of $1,618,293, a ratio of 1 to 35 in 1977-78. Even when the school districts are grouped by wealth into six somewhat equal units (by number of pupils), the range is great: from Group 6 (property rich) with $174,414 to Group 1 (property poor) with $60,487, a ratio of 2.88 to 1.

TABLE 4

Selected Data from the School Finance Report[15]

Property Wealth of New Hampshire School Districts, 1978

Range in Equalized Valuation Per Pupil	1977-78
Wealthiest School District	$1,618,293
Pupil Group 6* (Property Rich)	174,414
Pupil Group 1* (Property Poor)	60,487
Poorest School District	45,744
State Average	94,766
Ratio (Highest District to Lowest District)	35:1
Ratio (Pupil Group 6 to 1)	2.88:1

When the extremes are compared to the average in the state, the wealthiest district (with $1.6 million behind each child) is 17 times wealthier than the average district (with $94.8 thousand), while the poorest is only half as wealthy as the mean ($60.5 thousand to $94.8 thousand).

Taking a twelve year perspective, furthermore, one notes that the richer districts increased in wealth faster than their poorer counterparts, thus widening the gap in taxable property resources (see Table 5). One can conclude that one-sixth of the children in New Hampshire live in communities in which wealth increased by 88 percent, in contrast to richer areas which grew in value by 160 percent.

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[15] Data from the study of New Hampshire schools, by Richard Goodman, Center for Educational Field Studies, Durham, New Hampshire, 1979.

TABLE 5

The Property Tax for Education in New Hampshire for 1962, 1968, and 1974[16]

(N = 131 Non-Regional Districts)

Property Wealth of District - Population Adjusted	Year	Equalized District Property Wealth Per Pupil	Percentage Increase Between 1962 and 1974
Poorest Districts			
1/6th of Population	1974	$ 28,074	
Number of Districts = 27	1968	17,681	+88%
	1962	15,191	
Richest Districts			
1/6th of Population	1974	$104,369	
Number of Districts = 11	1968	49,095	+160%
	1962	40,141	

Interestingly, the 1974 level for the poorest one-sixth ($28,074) is considerably lower than the 1962 figure for the richest one-sixth ($40,141). So, not only did the rich districts get richer, faster (up 160 percent) in twelve years, but they also started out in 1962 way ahead of the point where the poorest districts ended up in 1974. The trend, then, is toward greater, not lesser, disparities.

Tax Rate Variation Over Time: Between 1962, 1968, and 1974, the average property tax per thousand dollars of assessed valuation (millage) did not increase greatly: from $18.84 to $21.19 to $20.14 respectively. Perhaps the increases in property values noted in Table 5 were sufficient to raise necessary school revenues without increasing the millage scale.

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[16] Research by Richard Winters, Department of Government, Dartmouth College, Hanover, N.H., 1979.

When one examines the tax rate by wealth groups over time, one notes that property wealth allows rich districts to raise more money per pupil with less effort, that is, through lower rates per thousand dollars. More specifically, a poor town in group six had only $28,074 behind each student for tax purposes in 1974, forcing the community to tax itself at $26.92 per thousand dollars, while raising only $755 per student. Rich communities, on the other hand, had over $100,000 of property valuation supporting each pupil, allowing these school districts to have a lower millage ($12.91) and still derive an average of $1,347 per school child in 1974 (see Table 6).[17]

Insert Table 6

And poor towns have always tried harder. While the richest one-sixth of New Hampshire school districts were able to lower their millage during the 12-year period by about three mills (-19 percent) and still more than double their per pupil spending (increased from $636 to $1,347 per student), the poorest group during the same period had to increase its effort by more than 5 mills (+24 percent) but still could claim only moderate levels of support ($755 in 1974).

Hence, the common belief that the poor do not support the education of their children appears false, if the New Hampshire data are any indication. In 1974, the poorest districts in the state taxed themselves at more than twice the rate as the richest sixth, 26.92 compared to 12.91 mills, yet achieved only about half the tax earnings ($755 versus $1,347).

State and Federal Aid Over Time: Since property wealth in most states is unevenly distributed among school systems, the poor districts are often given access to funds from other sources. But, as noted earlier, state and federal school aid to New Hampshire is small, amounting to slightly more than 13 percent of local school budgets.

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[17] Ibid.

TABLE 6

The Property Tax for Education in New Hampshire* for 1962, 1968, and 1974

Property Wealth of Town - Population Adjusted to Equal Sixths	Year	Equalized District Property Wealth Per Pupil	Property Tax Rate Per $1000 of Equal Valuation		Town Spending Per Pupil (Property Wealth x Tax Rate
a) Poorest Towns	1974	$ 28,074	$ 26.92		$ 755
Number of Districts = 27	1968	17,681	25.47	+24.11%	450
	1962	15,191	21.69		329
b) Poor Towns	1974	34,545	25.07		860
Number of Districts = 20	1968	19,107	25.21		481
	1962	16,281	21.28		346
c) Middle-Wealth Towns	1974	38,987	22.70		885
Number of Districts = 16	1968	26,930	23.08		621
	1962	17,728	20.27		359
d) Middle-Wealth Towns	1974	45,882	21.79		999
Number of Districts = 10	1968	28,549	22.76		649
	1962	25,011	18.40		460
e) Wealthy Towns	1974	48,925	20.16		986
Number of Districts = 20	1968	23,938	21.92		524
	1962	21,615	18.45		398
f) Wealthiest Towns	1974	104,369	12.91		1347
Number of Districts = 47	1968	49,095	15.87	-18.6%	779
	1962	40,141	15.86		636

* Date for 131 non-regional and non-consolidated school districts.

This is not to suggest that the legislature is unconcerned. In the early 1950s, New Hampshire created a foundation aid program which made, in the wording of the law, "unrestricted financial aid available for paying part of the general costs of operating schools." State aid would be forthcoming only if the districts were already taxing themselves at a minimum of $14.00 per thousand assessed valuation, hardly a difficult stipulation for the poor school districts to meet: their tax on property was actually much higher than 14 mills.

Though, since 1950 the intent to help local schools has been there, the dollars from the state coffers have not. On the average, the state legislature has underfunded the foundation program by 92 percent annually. Table 7 shows the amounts needed to implement the program, the amounts requested from the appropriations committee, amounts actually appropriated, and dollars spent. In 1977, for example, about $40.5 million was needed, but only $3.87 million was appropriated - less than ten percent of the original request. In fact, the yearly funds have diminished since 1971, when the New Hampshire legislature raised about $5.4 million for general foundation aid to local schools.

Insert Table 7

Other forms of state aid - such as School Building Aid, Sweepstakes Aid, and a plethora of categorical programs - are not designed to overcome local inequalities in property values. In fact, recent research indicates that School Building Aid tended to be used more often by the larger and wealthier districts in New Hampshire. Perhaps these school systems had enough funding from property taxes to allow them to consider launching school construction and, thus, they gained eligibility for state Building Aid.

The Impact of Inequalities

Though the case for finance reform in New Hampshire does not rest on the

TABLE 7

Summary of the State Program of Foundation Aid to School Districts in New Hampshire

	Amount Needed For Full Implementation	*Amount Requested*	*Amount Appropriated*	*Amount Spent*
1951-52	$ 1,110,305.95	$ 1,390,000.00	$ 600,000.00	$ 599,999.85
1952-53	1,244,258.74	1,390,000.00	600,000.00	600,000.00
1953-54	978,031.88	1,230,000.00	900,000.00	899,999.94
1954-55	1,151,594.40	1,230,000.00	900,000.00	899,999.98
1955-56	1,239,321.75	900,000.00	1,150,000.00	1,150,000.00
1956-57	1,440,731.13	900,000.00	1,150,000.00	1,149,911.81
1957-58	Not Available	1,635,000.00	1,290,135.00	1,290,122.53
1958-59	Not Available	1,850,000.00	1,458,437.00	1,457,784.76
1959-60	2,728,658.64	1,200,000.00	1,200,000.00	1,200,321.53
1960-61	3,923,303.20	1,400,000.00	1,399,600.00	1,399,000.68
1961-62	2,789,223.94	4,158,424.00	1,600,000.00	1,599,399.57
1962-63	3,943,053.94	5,761,138.00	1,800,000.00	1,797,611.89
1963-64	4,096,887.55	4,750,000.00	2,400,000.00	2,395,216.16
1964-65	5,978,767.24	5,750,000.00	2,500,000.00	2,504,783.84
1965-66	9,148,968.01	6,753,277.00	2,950,000.00	2,949,472.11
1966-67	7,716,118.55	8,750,000.00	3,150,000.00	3,150,527.89
1967-68	13,737,698.44	10,923,888.00	3,800,000.00	3,794,822.46
1968-69	14,330,359.02	11,688,560.00	4,275,000.00	4,280,177.54
1969-70	22,132,103.09	22,516,205.00	4,089,250.00	4,089,250.00
1970-71	23,870,371.50	27,281,476.00	5,409,448.00	5,409,448.00
1971-72	35,364,002.16	35,153,863.00	2,597,606.00	2,597,606.00
1972-73	36,809,299.99	36,912,000.00	2,694,078.00	2,694,078.00
1973-74	44,841,135.18	3,027,000.00	3,027,000.00	3,027,000.00
1974-75	34,824,760.32	3,390,000.00	3,390,000.00	3,390,000.00
1975-76	59,266,667.91	5,739,183.00	3,578,162.00	3,578,162.00
1976-77	40,490,917.94	6,193,441.00	3,871,268.00	3,871,268.00

denial of educational equality, as other state reform efforts have, there are strong indications that poorer districts do suffer from the lower funding levels. Here are a few of the correlations between wealth and educational outcomes in New Hampshire:[18]

1. Libraries: Poorer districts have about half the library facilities of the better-off systems in the state.

2. Education Beyond High School: According to recent information, more than half the graduates of high schools in property-rich districts in New Hampshire attend college or vocational schools after high school. In the least affluent district, only slightly more than a third of the high school graduates continue their studies beyond high school.

3. Kindergartens: None of the property-poor school systems offer public kindergarten opportunities while such programs are available in 70 percent of the wealthier systems.

4. Secondary Vocational Education: In the property-rich districts, 18 percent of the students enroll in some form of high school vocational/technical programs compared to only 3 percent in the disadvantaged systems. This is in spite of the obvious need that poorer students, who will not likely continue their education beyond high school, might have for learning a trade.

5. Physical Education: Students in less-advantaged schools have less physical education and fewer organized sports than their counterparts in richer districts.

6. Staffing: Wealthier districts employ 50 percent more staff at the high school level and 25 percent more at the elementary school level than schools in the property-poor systems.

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[18] "Is it Fair to You? How Schools and Taxes Relate to Educational Opportunities in New Hampshire," Newsletter, April 1979, Center for Educational Field Services, University of New Hampshire, Durham, New Hampshire.

7. Teacher Background: Teachers in property-poor systems have, on the average, only half the teaching experience and are only half as likely to hold masters degrees as their counterparts in the wealthy systems.

In summary, the distribution of property values in New Hampshire and other states creates a situation in which poorer districts try harder but get less. Since the state and federal governments have not acted to counter the impact of local wealth on school spending, the gap is widening.

Tax Equity: A Constitutional Approach to Finance Reform

The ability of wealthy families to secure an expensive education for their children has been a reality in the United States since Colonial days.[19] Even the advent of the common school, based on property taxation, did not obviate the privilege of wealth.[20] In the 1950s and 1960s, reformers turned to Congress, state legislatures, and, finally, the courts, to pressure for greater equality in the education of all children.

Using the 14th Amendment of the U.S. Constitution and the precedent of Brown v. the Board of Education (1954), reformers in California were successful in proving the illegality of the state's scheme for funding public education. Philip B. Kurland characterized this "egalitarian revolution" as one in which a judicial

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[19] See Lawrence A. Cremin, American Education: The Colonial Experience, 1607-1783 (New York: Harper and Row, 1970) and Bernard Bailyn, "Bibliographical Essay," in Education in the Forming of American Society: Needs and Opportunities for Study (Chapel Hill, N.C.: University of North Carolina Press, 1960).

[20] For a discussion of wealth and education in the era of the public school, see Michael B. Katz, Class, Bureaucracy, and Schools (New York: Praeger, 1971); and Seymour W. Itzkoff, A New Public Education (New York: McKay, 1976), chapter 3; David B. Tyack, The One Best System (Cambridge, Mass.: Harvard University Press, 1976).

doctrine "made dominant the principles to be read into the equal protection clause." Thus, in 1971, when Serrano v. Priest was decided, there were high hopes that the U.S. Supreme Court would concur, in California or other states, making nationwide finance reform possible, much as the Brown case had revolutionized race relations in education.[21]

The doctrine of equal education expenditure under the 14th Amendment, tested again in Texas in the Rodriguez (1973) case, was not declared by the High Court to be a "fundamental interest" under the U.S. Constitution. The Court found that disparities among school districts in tax wealth available for education was not "suspect" and refused to apply the "strict scrutiny test" whereby the state of Texas would have to show a "compelling state interest" which justified the inequalities in funding.[22]

Further, the existence of poor taxpayers in rich districts weakened the argument that these families were suffering discrimination. Also, the Court found that what Serrano had claimed was discrimination against children in poor school systems was "reasonable," given the state's legitimate objective of granting local control to school systems and that even children in poor communities like San Antonio, Texas were receiving, according to the Court, adequate minimal offerings.

The issue of school funding equity, then, was declared to be a state matter to be defined under state constitutions. If, in the 25 or so states where legal determinations of school funding equality have been, or are being, pressed, the states' constitutions contain some form of "equal educational opportunity" language, then reform is possible. If the language is vague, or nonexistent, then other legal avenues are necessary.

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21 See Arthur E. Wise, Rich Schools, Poor Schools (Chicago: University of Chicago Press, 1968), Chapter 2.

22 San Antonio Independent School District v. Rodriguez, Ed. 2d 16, 93 Sup. Ct. 1278 (1973).

Tax Equity: A New Approach

The tax equity issue has promise as a means for equalizing expenditures on education. In New Hampshire, for example, equity of taxation is more specifically encouraged in the constitution than educational equality; there is a case law pointing toward a statewide approach to parity. Moreover, it may be easier to demonstrate tax discrimination, based on local wealth, or its absence, than to prove the inequality of educational opportunity.

The legal argument is as follows: First, the taxes in the state must be equally shared by all those being taxed (proportionality), according to the constitution in New Hampshire. Second, the tax itself must be a just one (reasonableness), meaning that the classification of who is to be taxed, for what services, and within what legal-geographical jurisdiction must be an appropriate one for the services rendered.

Our argument, in brief, is that New Hampshire taxes are currently proportional, (that is, citizens within a given school district are bearing an equal burden for their schools, since the state checks property assessments yearly within jurisdictions). But the classification structure - delegating the responsibility for financing education to local districts - is suspect, given the state's involvement in and demands upon public school systems. If we can show that the state - not the locality - bears the major responsibility for financing public education, then it follows that the current classification scheme which places 87 percent of educational financing on local taxation is "unreasonable" and, consequently, unconstitutional. The state court might then force the legislature to increase efforts to equalize spending on education across the state by using state-generated revenues.

The Doctrine of Proportionality: Article V of the New Hampshire Constitution gives the legislature the authority to "impose and levy proportional and reasonable assessments, rates, and taxes upon all the inhabitants of, and residents within, the said state...." The term "proportional" is an important one and has been inter-

preted by courts for a century and a half. In 1829, the earliest Supreme Court commentary appeared:

> ...the same tax shall be laid, upon the same amount of property, in every part of the state, so that each man's taxable property shall bear its due proportion of the tax according to its value. And a tax thus laid upon the taxable estate of the people, is a proportional tax, within the meaning of the constitution.[23]

To insure that each taxpayer pays his fair share, the court required that assessments be made on a regular basis.

> The public charges of government, or any part thereof, may be raised by taxation upon polls, estates, and other classes of property, including franchises and property when passing by will or inheritance; and there shall be a valuation of estates within the state taken anew every five years, at least, and as much oftener as the general court shall order.[24]

Except for the outlawing of poll taxes, the notion of everyone within a community paying his fair share through proportional taxation on property was established in early case lay and supported throughout the following years.

Proportionality alone, however, is not a useful lever for reforming New Hampshire's method of financing education since, in any given school district, taxpayers share the same local millage for the support of education and other local services. Further, the state monitors and adjusts the land values within districts to see that proportionality of taxable property is maintained; hence, the term "equalized assessed valuation."

The Doctrine of Reasonableness: But, besides the importance of a tax burden being distributed equally, the state constitution says that a tax should also be

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[23] New Hampshire Reports (Concord, N.H.: Capital Offset Co., Inc.) Vol. 4, Opinion of the Judges, 1829, p. 568.

[24] Ibid.

"reasonable," a more elusive notion and one which may be useful in reforming the way education is funded in New Hampshire. In 1829, the court determined that "reasonable" meant "that taxes shall be laid, not merely proportionally but in due proportion, so that each individual's just share and no more shall fall upon him."[25] Here is introduced a sense of some limit on the amount a taxpayer should pay, as well as the notion of equal distribution or proportionality.

Nearly a century later, the court returned to the point. This time the question was, "What shall be the appropriate group of taxpayers to be assessed for a particular service"? The court decided:

> The caution expressed a hundred years ago, that taxes must be laid not only proportionally but also in due proportion, has a reference to something besides a basic problem in mathematics. In that exact science, nothing is added to the proportion by saying that it is in due proportion. The meaning here is that a reason must exist for the selection of the subjects of taxation (our emphases).[26]

In 1937, the question of reasonableness of taxpayer classification, the subject of taxation, was specifically addressed. "Although the class of persons especially affected may be small in number, or the area directly involved is not of large extent, inequality is not hereby produced if the classification is reasonable or if the area is not defined in reasonable discrimination of favor or disfavor."[27] Finally, a clearer pronouncement of the same principle was made by the judges of the New Hampshire high court in 1973:

> (The classification of those taxed unit) must reasonably promote some proper object of public welfare or interest and may not be sustained where the selection and groupings are so arbitrary as to serve no useful purpose of a public nature.[28]

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[25] Ibid.

[26] Opinion of the Justices, Vol. 82, 1927, p. 574.

[27] Opinion of the Justices, Vol. 86, p. 453.

[28] Opinion of the Justices, Vol. 113, 1973

Taxes, then, must be uniform within jurisdictions and they must also be reasonable in terms of who is taxed for what services.

We are challenging the current thinking of policy-makers that the financing of public schools is primarily a local responsibility. In other words, we argue that the classification used to establish this taxing unit - that is, primarily the public school district - may not be reasonable for purposes of taxation. As shall be discussed fully in the next section, this conclusion rests on the contention that: (1) "Towns are but subdivisions of the state, given certain governmental power and charged with some local government duties. Any part or all of the local duties and obligations may be assumed by the state."[28] (2) The state makes numerous demands on the school systems and, thus, has an obligation to see that the funding of these mandated functions is possible and somewhat equal. (3) The state's constitution gives special status to education, setting it apart from other social services. And (4), the state has the legitimate authority to assist local schools financially (witness the 1950 law establishing the Foundation Aid program).

In summary, we have attempted to establish in this section that for a tax to be constitutional, it must be proportional and reasonable, reasonable here meaning that a taxing classification should be appropriate for the unit of services provided. If it can be demonstrated that public education is, indeed, primarily a state rather than a local service, then classifying for taxing purposes according to local property wealth must also come into question. For, if education is chiefly a state service, then widespread variation in taxable property wealth makes it unreasonable and discriminatory to classify local school districts as the tax unit.

Education as a State Service

We are brought to the perennial question: Is education a service provided by the state or local government? The answer in most states (Hawaii, with its single

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[28] Opinion of the Justices, Vol. 113, 1973.

statewide school district, an obvious exception) is that education is a concern of both the state, which creates and regulates schools, and the local communities, which support and govern the daily operation of schools. As with many relationships in government, there is considerable ambiguity surrounding the questions of who has final and absolute power, and who has administrative control.

Analysis of New Hampshire state-local interaction on matters involving education indicates that, though roles are less precise, the state has taken on a major role in education, though whether this role was self-assumed or constitutionally-based is unclear. In this section, we discuss the state-local role, concluding that final responsibility rests with the state.

State Involvement in Education

The importance of public education to New Hampshire cannot be exaggerated, for the state's constitution, court decisions, and legislative policies have recognized the essential responsibility of the state for insuring education for all New Hampshire children. As noted earlier, Article 3 of the state's constitution pertains chiefly to education, the only local service specifically mentioned in the document. Moreover, four other parts of the constitution refer to possible aspects of education, such as "seeking and obtaining happiness" (Article 3); "Rights of Conscience" (Article 4); "public Protestant teachers of piety, religion, and morality" (Article 6); and towns' "exclusive right of electing their own public teachers" (Article 6).

New Hampshire courts have been ambiguous about the state's role in public education, despite the constitution's frequent mention of this service. In 1902, the courts seemed to associate the final responsibility with constitutional requirements:

> The education of the citizen is essential to the stability of the state is a proposition too plain to discuss. As a mere generalization of our own, it would command immediate and universal assent.... Showing that

> something more than a mere sentimental interest was intended by this injunction "to cherish the interest of literature," etc., this Court has said: "the clause in the constitution...in regard to the encouragement of literature, in connection with the early legislation on the subject...shows conclusively, if any such evidence were needed, that the framers of the constitution, as well as their contemporaries in the legislature, regarded the subject of education as one of public concern, to be cherished, regulated, and controlled by the state; and the great multitude and variety of acts passed since show that no different view has ever been entertained.... The Constitution enjoins the duty in very general terms, on magistrates and legislators, as one of paramount importance (emphases added).[30]

From this statement, it would seem obvious that education is a state duty.

In 1912, the justices reaffirmed "the duty of providing for education of children within its limits, through the support and maintenance of public schools, has always been regarded in this state in light of a governmental duty resting upon the sovereign state." But the courts drew back from asserting that education was a constitutionally-mandated duty:

> It is a duty not imposed by constitutional provision, but has always been assumed by the state; not only because the education of youth is a matter of great public utility, but also and chiefly because it is one of great public necessity for the protection and welfare of the state itself.[31]

In 1935, though the court refused again to define education as a constitutional duty, it did decide that it was a state responsibility:

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[30] New Hampshire Reports, Vol. 71, State v. Jackson, 1902, p. 554.

[31] New Hampshire Reports, Vol. 76, Fogg v. Board of Education of Littleton, 1912.

> The constitution recognizing the subject of education as "one of paramount public importance," merely enjoins that it be cherished, regulated, and controlled by the state."[32]

Here the court included the requirements that education be "regulated and controlled." Though it did not require that education be provided for all, it did establish that if this service were provided, responsibility for its content and purposes would fall to the state - not the localities.

In 1935, the court again commented upon the controls exerted by the state over local education:

> In 1919, a policy of centralizing the state's educational system under a uniform administration and control was adopted (Laws 1919, c. 106). This act created a state board of education with the "same powers of management, supervision, and direction over all public schools in the state as the directors of the ordinary business corporation have over the business corporation, except as its power and duties may be limited by law (section 5.1)"[33]

It seems obvious, then, that as legislation was passed to control and direct education, the state's obligation to maintain and support local schools also grew.

It can be concluded that public education in New Hampshire, and perhaps other states as well, has always been regarded as a state service, in terms of the programs offered, the benefits provided, and the level of government to which local schools are responsible. In 1978 alone, the state of New Hampshire regulated 75 percent of all local activities through 85 different requirements

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[32] New Hampshire Reports, Vol. 87, Coleman v. School District of Rochester, 1936, p. 466.

[33] Ibid., p. 467.

and statutes.[34] The "duty" to offer these services, which either the state imposed on itself or the constitution mandated, has likewise been imposed on all the taxpayers in the state, whether local resources are available or not. It seems evident that to allow the state to legislate so many requirements but then to isolate fund-raising at the local level, is inconsistent.

The Reasonableness of the Existing Classification

Is the classification scheme which places the primary tax burden on the local school districts constitutional? We argue that the burden is excessive in New Hampshire and other states where great disparities exist; furthermore, "local control," long used as a rationalization for funding differences, is only a myth, except in wealthier districts where sufficient funding allows them to cash in on their options. Thus, using local property wealth as the unit of taxation is an arbitrary and discriminatory classification benefiting those school districts with high valuations and discriminating against those with low taxable property values.

The Foundation Aid program, first passed in 1950 and supported by the court, was a reaction to this disparity. In Gilsum v. Monadnock School District (1964), the justices recognized the problem of inequalities and the burden placed on local school districts by the state:

> The history of the legislation granting foundation aid show an unvarying purpose to help the needy school districts. The eligibility for this aid has at all times been bottomed on the failure of the equalized valuations of which composed the school district to provide a sufficient tax base to produce the funds necessary to meet the cost of certain required programs of public education.[35]

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[34] Goodman data; see also Wirt, op. cit.

[35] New Hampshire Reports, Vol. 105, Gilsum v. Monadnock School District, 1964, p. 364.

In this opinion, the court seems to be laying the groundwork for an attack on local taxation as the major means for financing schools. It recognized both the limitations of property taxes as the basis for raising funds and the on-going pressure from the state for more costly programs.

In deciding the case, however, the court stopped short of condemning all differences in local school expenditures. It considered the problem of varying burdens among school systems and found that a locally-based classification was constitutional and that taxes must be uniform and proportional only within the same district. Though, again, the court ruled in favor of proportionality, it did not treat the "reasonableness" of the total taxing structure for education.

In summary, very few cases of this nature have been tested in court, leaving the way open for a direct challenge to the way schools are funded through unequal taxation. At present, only Arizona has directly addressed the issue of taxpayer equality, and the courts of Connecticut and California have only implicitly accepted the standard by ruling that educational opportunity should not be a function of local wealth. Allan Odden, in his study of reform in Colorado, explains that most cases using "educational equity" arguments "have sought to persuade the court that education was a fundamental interest of the state." He continues:

> And/or that the method of funding education created a suspect classification of school districts based on wealth. This strategy was used, because, if successful, it would trigger "strict judicial scrutiny putting the burden on the state to show that the funding structures in force were needed for some "compelling state reason."[36]

In essence, we are making much the same argument - that education is a fundamental

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[36] Allan Odden, School Finance Reform in the States, 1978 (Denver, Colo.: Educational Finance Center, 1978), p. 9.

interest of the state - but not for the reasons of educational equity. Rather, we approach the issue from the perspective of tax equity, emphasizing the "reasonable" clause of the New Hampshire Constitution. While there is likely no federal court route to school finance reform, as "equal protection under law" promised in Serrano, tax equity does have promise in New Hampshire and other states.

Some Implications

It would be difficult to second-guess the courts and present remedies, though we can point out the problems and how they might be remedied. It does seem clear, however, that if a case can be made that education is primarily a state function, then some statewide tax equity is required. Reformers have long recognized this need. A number of schemes have been suggested, many of which would help equalize educational funding in New Hampshire should the court or legislature act. Some of these efforts include:

1. A State-Wide Funding Scheme: Full-state funding, ending the dependence on local property wealth, might take two forms: the first might involve only a state-wide income tax; the other, a statewide property tax, wherein funds from property would be assessed, collected, and redistributed by the state. Statewide schemes have the obvious advantage of ending local wealth advantages; their disadvantages are also well known and center mostly around removing control over education from the local arena.

2. Fiscal Neutrality: Another remedy might be one suggested by John E. Coons and others. It allows one school system to support education "more generously than another by exerting greater fiscal effort." He continues:

> but that each district's ability to support schools must be independent of its own wealth or tax base. Under fiscal neutrality, therefore, expenditures may vary according to differences in local willingness to

pay for public education as well as according to the kinds of educationally relevant factors mentioned earlier.[37]

Rich districts could, then, raise their per pupil expenditures, but these wealthier systems would have to contribute to a fund so that poor districts, too, could help themselves. This scheme is relatively simple and may help close the wealth gap among school systems, but it penalizes the richer systems which makes it politically difficult to legislate.[38]

3. Minimum Provision: The simplest and, perhaps, most attractive remedy is one in which the court and the legislature would make an effort to fund the Foundation Plan more fully, though such money might only be forthcoming if the state had a broad-based income tax. The advantages are obvious: maintenance of local control and property tax system, while supplementing from the state; problems may occur, however, in legislating an income tax. In New Jersey, the supreme court closed the schools in order to force the state assembly to pass such a law; the New Hampshire assembly would be similarly hard to convince.[39]

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[38] Garms et al., have suggested a variation on the fiscal neutrality approach, one which provides a steep increase in millage, for poor districts, up to, say, 20 mills, after which the support from the state would be less prominent; this scheme gives an incentive to local districts to help themselves through state subventions. See William I. Garms, James W. Guthrie, and Lawrence L. Pierce, School Finance: The Economics and Politics of Public Education (Engelwood Cliffs, N.J.: Prentice-Hall, 1978), p. 221ff.

[39] For a case study of the New Jersey Supreme Court's closing of the schools and the legislature's actions, see Richard Lehne, The Quest for Equality (New York: Longman, 1978). For a discussion of the political aftermath of Serrano, see Arnold Meltzner and Robert T. Nakamura, "Political Implications of Serrano, in School Finance in Transition (Cambridge, Mass.: Ballinger, 1974), pp. 264-74.

Conclusion

A few other considerations deserve comment. First, tax-equity methods have advantages over 14th Amendment and "educational equality" approaches, since one cannot prove, using Rodriguez, that children are discriminated against simply because of their family income: poor children do live in richer communities and rich children do live in poor districts.

Educational opportunity is even harder to define and document. For, if a school system is at least providing a minimum educational opportunity for each child, it is nearly impossible to separate the benefits of "equal" from "unequal" opportunities. While we have found in New Hampshire that property-poor districts have worse facilities, less staff with less training, and send fewer students on to further education, our argument does not rest on the quality-funding correlation. Justice Powell in the Rodriguez decision wrote about this issue:

> Indeed, one of the major sources of controversy concerns the extent to which there is demonstrable correlation between educational expenditures and the quality of education. Related to the questioned relationship between cost and quality is the equally unsettled controversy as to the proper goals of a system of education.[40]

Powell is referring here to a decision by a local school system not to offer a particular "opportunity," not necessarily because it could not afford the program, but because it did not want it.

Ironically, after Serrano and before Rodriguez, several rich school systems testified against the redistribution of tax funds in their states for education on the grounds that differences in funding did not matter.[41] True, there may be

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[40] Rodriguez, op. cit.

[41] David K. Kirp has called attention to the behavior of rich districts in trying to minimize their losses in finance equalization reforms. See "School Finance and Social Policy: Serrano and Its Progeny," School Finance in Transition, op. cit., p. 299.

no clear relationship between another dollar spent, and a concommitant increase in quality. But, as Coons notes, "If money is inadequate to improve education, the residents of poor districts should at least have equal opportunity to be disappointed by its failure."[42]

We have attempted in this article to separate educational and tax reform. We have argued that school finance reform, as pursued in the last dozen years, may really be a tax equity issue. For it is the taxpayer who is working financially harder in poor systems and deriving less results for the schooling of local children. In New Hampshire, for example, we have not asserted that certain taxpayers are being denied equal opportunity or protection, as other legal arguments have done; rather, we believe that all taxpayers in poorer districts are forced to carry an unreasonable and disproportionate burden for an educational system which is mandated and controlled by the state. Coons makes a similar point:

> One buys public education with public money. (The buyer) is education poor if his school district is poor. In the case of public education, personal and district wealth are identical because the only wealth a family has available for the purchase of public education is that of its school district.[43]

Using Coons' logic, if one cannot "buy" an education equal to the quality of that in other districts simply because of the absence of taxable property wealth, then one is ipso facto "poor."

Hence, our purpose is to suggest the reformation of the taxation system, leaving the improvement of education to educational reform. "Fiscal reform," explains Coons, "will be an answer to some problems; administrative reform, to others; both to still others."[44]

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[42] Coons, Clune, and Sugarman, op. cit., p. 31

[43] Ibid., p. 33.

[44] Ibid.

We advocate, then, a tax reform for a tax problem: the funding of our public schools through an equitable tax system. While the road to reforming school finance is slow going, a tax-equity approach to equality has promise in New Hampshire and, perhaps, elsewhere.